

Message Text

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ACTION EB-08

INFO OCT-01 AF-08 ARA-06 EUR-12 EA-07 IO-13 ISO-00
L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06 AGRE-00
AID-05 CIAE-00 COME-00 INR-07 LAB-04 NSAE-00
OIC-02 SIL-01 STR-04 TRSE-00 CEA-01 INT-05 OES-06
NEA-10 /116 W

-----211103Z 022003 /17

R 211003Z MAR 77

FM USMISSION GENEVA

TO SECSTATE WASHDC 6077

INFO AMEMBASSY BONN

AMEMBASSY CANBERRA

AMEMBASSY KINSHASA

AMEMBASSY LIMA

AMEMBASSY LONDON

AMEMBASSY LUSAKA

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY SANTIAGO

AMEMBASSY TOKYO

USMISSION EOCN PARIS

USMISSION USEC BRUSSELS

USMISSION USUN

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EO 11652: NA

TAGS: UNCTAD, EMIN

SUBJ: UNCTAD/COPPER: REPORT OF INTERGOVERNMENTAL EXPERT GROUP
(IEGC)

1. SUMMARY: INTERGOVERNMENTAL EXPERT GROUP ON COPPER
FINISHED ITS WORK MARCH 18 IN CONSTRUCTIVE SPIRIT. FINAL
REPORT STRESSED FACT THAT DELEGATIONS CONTINUE TO HOLD
WIDELY DIFFERING VIEWS ON TWO MAIN ISSUES, I.E. WHETHER
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TO NEGOTIATE COMMODITY AGREEMENT FOR COPPER BASED ON
BUFFER STOCKS AND SUPPLY CONTROLS, AND WHETHER TO
ESTABLISH A PRODUCER/CONSUMER FORUM. REPORT RECOMMENDS
THAT MAY PREPARATORY MEETING RE-CONVENE EXPERT GROUP TO
STUDY MATTERS FURTHER. THIS RECOMMENDATION SUPPORTED
BY BOTH PRODUCERS AND CONSUMERS. END SUMMARY.

2. FINAL SCHEDULED IEGC MEETING WAS HELD MARCH 14-18 IN ATMOSPHERE OF MODERATION, WITH ONLY FEW BUT PREDICTABLE EPISODES OF POLITICAL RHETORIC WHICH HAS MARRED TWO UNCTAD COPPER MEETINGS LAST FALL. PRINCIPAL TASK OF THIS WEEK WAS (A) TO WRITE REPORT OF INTENSIVE, ANALYTICAL FEB MEETING, AND (B) TO DRAW CONCLUSIONS AND MAKE RECOMMENDATIONS TO SECOND SESSION OF PREPARATORY MEETING WHICH IS SCHEDULED MEET IN MAY. UNCTAD SECRETARIAT DRAFT REPORT PRESENTED ON FIRST DAY GAVE INACCURATE PICTURE OF FEB MEETING, PRESENTING IMAGE OF BALANCED EXCHANGE OF VIEWS AND PROGRESS TOWARDS AGREEMENT ON FEASIBILITY AND DESIRABILITY OF A BUFFER STOCK FOR COPPER SUPPLEMENTED BY PRODUCTION OR EXPORT CONTROLS. IN POINT OF FACT, PROPONENTS OF COMMODITY AGREEMENT HAD FAILED IN FEB EVEN TO PRESENT THIS CASE IN A SERIOUS MANNER, CONTENTING THEMSELVES WITH REPEATING UNSUPPORTED ASSERTIONS RE NEED FOR BUFFER STOCKS. DEVELOPED COUNTRIES ON OTHER HAND HAD BUILT EXTENSIVE RECORD OF FACT AND ANALYSIS WHICH THREW SERIOUS DOUBT ON FEASIBILITY AND DESIRABILITY OF SUCH ARRANGMENTS. ILED BY USDEL, WHICH PREPARED EXTENSIVE RE-WRITE OF SECRETARIAT'S DRAFT, DEVELOPED COUNTRIES SUCCEEDED IN GETTING APPROVAL OF A DETAILED REPORT WHICH SUMMARIZES FAIRLY THE EENOR AND CONTENT OF THE FEB IEGC DISCUSSIONS.

3. CONSULUSIONS SECTION OF REPORT STRESSED FACT THAT WIDE AND DEEP DIFFERENCES REMAIN AMONG DELEGATIONS ON WHAT HAVE EMERGED AS THE TWO MAJOR ISSUES: (A) WHETHER TO NEGOTIATE AND COMMODITY AGREEMENT FOR COPPER BASED ON A LIMITED OFFICIAL USE

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BUFFER STOCK SUPPLEMENTED BY PRODUCTION OR EXPORT CONTROLS; AND (B) WHETHER TO ESTABLISH A PRODUCER-CONSUMER FORUM FOR COPPER. FOR THE MOST PART, DEVELOPED COUNTRIES AGREED CASE WAS NOT MADE FOR FEASIBILITY AND DESIRABILITY OF A COMMODITY ARRANGEMENT (FRANCE ACCEPTED DESIRABILITY, BUT NOT FEASIBILITY; NORWAY ACCEPTED BOTH). WITH THE EXCEPTION OF CHILE, LDCS STRONGLY SUPPORTED BUFFER STOCK AGREEMENT. CHILE'S POSITION UNCLEAR. VIRTUALLY ALL PARTICIPANTS, LDCS INCLUDED, ACCEPTED THE NEED FOR FURTHER STUDY, ALTHOUGH ONLY CHILE, AND TO A LESSER EXTENT ZAMBIA, AMONG THE LDCS SUPPORTED ESTABLISHMENT OF A PRODUCER/ CONSUMER FORUM.

4. THE SOLE RECOMMENDATION TO THE PREPARATORY MEETING WAS THAT THE EXPERT GROUP BE RE-CONVENED TO CONDUCT FURTHER ANALYSIS OF BASIC PROBLEMS, MEASURES AND TECHNIQUES FOR THEIR RESOLUTION, AND THE CONCEPT OF A PRODUCER/CONSUMER FORUM. IT WAS UNDERSTOOD THAT THE IEGC WOULD HAVE NEW TERMS OF REFERENCE AND A CLEAR AND LIMITED TIMETABLE.

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NEA-10 /116 W

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5. COMMENT: WE SEE TWO PRINCIPAL REASONS FOR THE
LDCS' ABANDONING FOR THE TIME BEING THEIR GOAL OF AN
EARLY NEGOTIATION OF A COMMODITY AGREEMENT FOR COPPER.
FIRST, THEY WERE OVERWHELMED BY THE SCOPE AND DETAIL
OF THE PAPERS PRESENTED TO THE FEB MEETING AND THE
TECHNICAL ARGUMENTATION THAT TOOK PLACE, ALL OF WHICH
ILLUSTRATED THE THEORETICAL AND PRACTICAL PROBLEMS OF
POSSIBLE COMMODITY AGREEMENT FOR COPPER. THEIR FAILURE
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AT THAT TIME TO PRESENT ANY SORT OF ECONOMIC CASE FOR
BUFFER STOCKS OR SUPPLY MANAGEMENT MEASURES RENDERED
WEAK AT BEST THEIR ASSERTION AT THIS MEETING THAT SUCH A
CASE HAD BEEN MADE. SECOND, THERE IS AMONG THE LDCS
AN UNDERCURRENT OF HOPE--MENTIONED ONCE IN CONTACT GROUP
BY THE PERUVIAN DELEGATE--THAT THE POLICY REVIEW CURRENT-
LY UNDER WAY IN THE U.S. WILL LEAD TO A CLIMATE MORE
FAVORABLE TO LDC VIEWS. SORENSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COPPER, INTERAGENCY MEETINGS, CONSULTANTS, MINING INDUSTRY, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770340/aaaabiky.tel
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Litigation History:
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Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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Review Release Date: n/a
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Review Withdrawn Fields: n/a
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Secure: OPEN
Status: NATIVE
Subject: UNCTAD/COPPER: REPORT OF INTERGOVERNMENTAL EXPERT GROUP (IEGC)
TAGS: EMIN, UNCTAD
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/b37f5cb5-c288-dd11-92da-001cc4696bcc
Review Markings:
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22 May 2009
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